

American Observer

A free, virtuous, and enlightened people must know well the great principles and causes on which their happiness depends.
—James Monroe

VOLUME VIII, NUMBER 35

WASHINGTON, D. C.

MAY 22, 1939

Coal Dispute Leaves Many Serious Issues

Friction Between CIO and AFL Increased as Result of Settlement Terms

SWEEPING VICTORY FOR CIO

United Mine Workers Strengthened by Coal Operators' Agreement to "Union Shop" Clause

Although the serious coal shortage which threatened early this month to cripple many of the nation's most vital industries has been averted, and a majority of the miners have returned to their pits, the settlement reached between the miners and the operators leaves many questions unanswered and many issues unsolved. As a result of the pressure brought to bear by the personal intervention of President Roosevelt, the stalemate which had been produced was broken, and most of the 420,000 workers in the bituminous mines who had been idle went back to work.

Issues Involved

The more important issues involved in the recent coal dispute have been discussed at some length in previous issues of THE AMERICAN OBSERVER. Unlike most strikes, the controversy in the coal industry was not caused by demands for increased wages or shorter working hours. It was primarily a matter of the power and influence of the union, the United Mine Workers of America, which, for nearly half a century, has played an important role in the coal industry. The contract which the United Mine Workers had with the coal operators expired on April 1, and when renewal of the contract was impossible, some 320,000 mine workers ceased operations, followed by the 100,000 additional men who were later ordered out of the mines by the union officials when negotiations failed to produce results.

The principal issue involved from the beginning has been whether the United Mine Workers should be the sole spokesman for the half million workers in the bituminous coal industry. John L. Lewis, president of the UMWA, as well as head of the CIO, had insisted upon the "union shop"; that is, that all workers in the mines must either be members of the union when they are hired, or must become members after they have been hired. The union representatives further demanded the elimination of the so-called "penalty" clause from the contract with the operators, by the terms of which the union would be fined for miners who went out on strikes which it did not authorize.

The reasons for the United Mine Workers' insistence upon these conditions are clear. In the first place, until fairly recently, this union has had a virtual monopoly in the coal industry. From 90 to 95 per cent of the coal workers have been members of the union. It has been in a position to speak for the workers and to bargain collectively with employers over wages, hours, and other working conditions. It has been able to sign contracts with the operators which would bind the workers and the employers to the maintenance of certain conditions. These contracts gave it certain rights, but also imposed upon it certain responsibilities.

The union representatives considered that the two conditions upon which it

(Concluded on page 8)



ASSN. OF AMER. RAILROADS

COAL—A NATIONAL PROBLEM

Japanese Consider Changes In Policy

German Insistence on Military Alliance Causes Tokyo to Weigh Possibilities

STRONG REACTIONS FEARED

Japan Hesitates to Jeopardize Its Important Trade Relations With Great Britain and the U. S.

When the governments of Italy and Germany recently announced their decision to enter into a military alliance, foreign observers were interested to note that no mention was made of Japan, which has been considered the third partner in the totalitarian bloc ever since it signed the anti-Comintern agreement in 1936. This does not mean that Germany and Italy have not tried to bring Japan into their alliance scheme, however. On the contrary, both governments have been striving for months to persuade the Japanese to replace the loosely drawn anti-Comintern accord with a hard-and-fast alliance binding the three powers into a single powerful military bloc.

Japan Hesitates

Although the pressure upon Tokyo has been great, the Japanese government has hesitated. At present it is generally believed that Japan is opposed to any hard-and-fast alliance with Italy and Germany. But officials seem undecided as to just what course they should pursue. Some favor an open alliance. Others oppose an alliance, but believe in strengthening the bonds between Japan and the axis. Still others favor an attempt to reach an understanding with Great Britain. Thus Japan now presents the same uncertainty in the totalitarian bloc that the Soviet Union (discussed in these columns last week) presents to the British-French bloc. As a result of this confusion and uncertainty, Japanese officials are reviewing the whole question of the direction Japanese foreign policy is to take.

When Japanese officials consider changes in foreign policy, their thoughts first turn to China. So much money and effort have gone into the Chinese war that many observers feel that the Japanese have mortgaged their future and invested the proceeds in China. Costing some \$5,000,000 a day ever since the first few scattered shots were fired, in July 1937, the war against China has already run up a bill of more than \$2,000,000,000, and raised the total national debt higher than the annual national income. The government admits that between 75,000 and 100,000 Japanese soldiers have been killed, but what the unofficial figures are, and how many have been maimed and disfigured, remains a mystery.

Other losses have been indirect, but no less important. Since the war began, Japan's exports have fallen off 21 per cent, and valuable markets have thus been lost to competitors—markets which will be very difficult to regain. A great impetus has been given to world armaments building which makes it ever more costly for Japan to stay in the race. Charges of treaty breaking and international banditry leveled against the Japanese government have cost Japan considerable loss of good will in foreign capitals. Thus it will be seen that the Japanese have gambled a great deal, if

(Continued on page 3)

Try This Experiment

BY WALTER E. MYER

I am going to talk to you this week about one of the worst destroyers of happiness in all the world. I am not going to talk about war or depression or famine or pestilence or any other of those great tragedies which fall upon nations, causing untold suffering, anxiety, and distress. These things are very bad, to be sure, and it is our duty as intelligent human beings and patriotic citizens to do what we can to remove such scourges upon mankind or to modify their force.

I am going to talk of something more personal and yet something which, day in and day out, strikes at peace of mind and at individual and family happiness more forcefully and more powerfully than these occasional scourges do. I refer to habits of irritability and unkindness which make so many of us destroyers of happiness whether we mean to be or not.

You may care a great deal for your relatives and friends, and yet if you frequently quarrel or complain or nag or say irritating things, you may be a source of annoyance and of worry. Your presence prevents repose of mind hour in and hour out. The pressure of your disturbing habits is constant, whereas the great tragedies are but occasional. You are creating a situation under which those about you cannot be peaceful and contented and happy, whatever the outward conditions of life may be.

Once in a while a great tragedy comes into a home. There may be death or serious illness or disaster in some form. When it comes, the petty little troubles seem slight indeed. If we could only look upon them with true perspective and dismiss them as they come along day by day, we would be much happier and there would be more satisfaction and contentment within the entire circle of our influence.

I know of no more promising experiment than this: Try just for a day to see to it that you bring up for discussion no unpleasant or disturbing topic unless you feel that some good will result from the discussion. Determine that for just a day you will say nothing to irritate or annoy your friends and relatives; that you will make no remark with a sharp edge; that you will not parade any of your petty troubles; that you will be considerate of all those whom you meet; that you will face the irritations of the day courageously and magnanimously; that if you hear unkind remarks, you will not retort with counter-unkindness. See to it that just for a day you contribute to the contentment of those about you instead of being a burden or a drag on others.

If you can do this for a day, you can probably do it for another day, and for still another day, and ultimately the weight of your influence may be directed toward the establishment of peace and satisfaction among the people whom your habits affect. But at the outset, don't worry about the long-time future. Think only of one day at a time. Take care of each day, and the years will take care of themselves. If you will inaugurate habits of this kind, you will probably contribute more to human happiness than you can possibly contribute in any other way.

Facts About Magazines

XX. Foreign Affairs

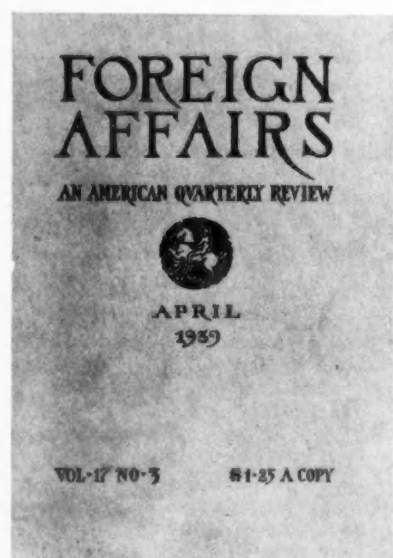
EVER since the World War, and more particularly during the last few years, the American public has shown a vital interest in international affairs. The outstanding newspapers of the country have set up offices in foreign countries and



HAMILTON FISH
ARMSTRONG

have sent some of their best men to cover the news which originates abroad. All the leading magazines dealing with contemporary problems devote considerable space to foreign developments and to analyses of international relations. Whatever policies are adopted on the domestic front, the United States has become world-conscious and world-minded.

Of all the magazines devoted partially or exclusively to international relations, none occupies the position of distinction and esteem enjoyed by *Foreign Affairs*. This is a quarterly magazine of some 200 pages, appearing every January, April, July, and October. Its editor is Hamilton Fish Armstrong, one of the nation's outstanding authorities on international developments, and its editorial advisory board consists of such men as Isaiah Bowman, George H. Blakeslee, John W. Davis, Stephen Duggan, Allen W. Dulles, Harry A. Garfield, Edwin F. Gay, A. Lawrence Lowell, and Charles Seymour—each one an authority on international affairs.



(REPRODUCED BY COURTESY OF "FOREIGN AFFAIRS.")

The first issue of *Foreign Affairs* appeared in September 1922. It is published by the Council on Foreign Relations of New York City. It is devoted almost exclusively to international affairs, with special emphasis on political, economic, and financial problems affecting the foreign policy of the United States. The articles which appear in the pages of *Foreign Affairs* represent different points of view.

The American Observer

A Weekly Review of Social Thought and Action

Published weekly throughout the year (except two issues in December and three issues from the middle of August to the first week in September) by the CIVIC EDUCATION SERVICE, 744 Jackson Place, Washington, D. C.

Subscription price, single copy, \$2 a calendar year. In clubs of five or more for class use, \$1 a school year or 50 cents a semester. For a term shorter than a semester the price is 3 cents a week.

Entered as second-class matter Sept. 15, 1931, at the Post Office at Washington, D. C., under the Act of March 3, 1879.

EDITORIAL BOARD

CHARLES A. BEARD HAROLD G. MOULTON
FELIX MORLEY DAVID S. MUZZEY
WALTER E. MYER, Editor

PAUL D. MILLER, ANDRE DE PORRY
CLAY COSS, Associate Editors

As the editors explain the purpose of the magazine: "The articles in *Foreign Affairs* do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries *Foreign Affairs* can do more to guide American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any articles, signed or unsigned, which appear in its pages. What it does accept is the responsibility for giving them a chance to appear there."

The articles which appear in this magazine are among the most thoughtful and comprehensive to appear in any publication. The contributors are gathered from European statesmen and journalists, American newspaper correspondents, professors, authors of recognized books; in other words, from those who are in the best position to know the subject about which they are writing.

The latest issue of *Foreign Affairs* is representative of the type of articles which appear regularly in its pages. The leading article, written by an unnamed European statesman, deals with the present international crisis and raises the question "Will Hitler Save Democracy?" His argument is that Hitler may make the world safe for democracy by uniting the rest of the world against him and preventing the further march of autocratic aggression. There is an interesting and detailed article on the working of the German and the Russian secret police. Another one discusses the defense program of the United States; another, the effects of the war in the Far East upon Japan. There is another article on the causes and results of the economic tension in Germany, and another on the role played by the German Reichswehr, or army.

The remaining articles in the April issue include: "Italian Autarchy in Practice," "The Great Bolshevik Cleansing," "Machiavelli and Machiavellism," "Has Gold a Future?" "Hungary in the German Orbit," "Denmark's Precarious Neutrality," "Chile Moves Left," "The Burma Road," together with reviews of the outstanding books on international relations.

The contents of *Foreign Affairs* do not make light reading. But the magazine is practically indispensable to an understanding of the great international problems.

With the Magazines

"Collier's," by Hickman Powell. *Scribner's*, May 1939, pp. 19-23.

The writer takes *Collier's* magazine as an example of a "mass magazine" that has been successful. He traces the growth of the magazine from its early reforming days to its present



ent semi-liberal, glittering editorial form with its \$15,000,000 backing and its gigantic circulation. The editors of *Scribner's* believe that *Collier's* is an interesting example of the type of magazine that appeals to the people in general and that the study of its pages gives insight into both the people and the times.

"Dakota Made," by George L. White Jr. *Atlantic*, May 1939, pp. 695-698.

This article gives an unusually vivid description of a region of the United States that has been settled by Scandinavian people. Mr. White sees in North Dakota a spirit that has captured the old American dream. He looks at the country through the eyes of the third generation of children who feel neither Scandinavian nor American, and who are torn between the old way and the new.

"Charles A. Beard," by Hubert Herring. *Harpers*, May 1939, pp. 641-652.

Charles A. Beard, as shown in this *Harper's* portrait, occupies a unique position among



A MEXICAN REVOLUTIONARY ARMY OF 1911
(Illustrations from "An Eye-Witness of Mexico.")

An Eye-Witness Reports on the Social Revolution in Mexico

WHATEVER its ultimate outcome, the revolution which has been taking place in Mexico during the last few years is not a mere flash in the pan, as most of the political upheavals of the past have been in that country. A truly fundamental program of economic and social rehabilitation has been undertaken, in the face of the combined opposition of the powerful economic groups of the country, of foreign governments, and of centuries-old tradition. Few social experiments in the world today warrant more close scrutiny than this Mexican revolutionary program.

An unusually readable book on the changes which are taking place in Mexico today is R. H. K. Maret's "An Eye-Witness of Mexico" (New York: Oxford University Press, \$4). The author is an Englishman who has spent a number of years in Mexico, first as an employee of a large British-controlled railroad, and later with one of the oil companies which was expropriated by the Cardenas government. While in Mexico, he was married into one of the old Spanish families. With such a background, one would expect a bias against the policies of the present government, but Mr. Maret succeeds throughout in maintaining a high degree of fairness and impartiality in his discussion of Mexico.

This is by no means a scholarly discussion of the economics of the Mexican revolution. It is, rather, an honest attempt

to describe, simply and accurately, exactly what has been happening in Mexico. From the first page, which describes the author's arrival in the port of Vera Cruz and the strange contrasts which greeted him there, to the concluding chapter, which undertakes to appraise the future possibilities, the book is delightfully informal, full of warm, even humorous, descriptions of the land and its people.

The old order which has held sway in Mexico for centuries is rapidly disappearing from the scene. It was a feudal order, dominated by the Spanish minority which held political and economic control. The government has undertaken to improve the lot of the Indian masses; to reorganize the entire economic and social structure of the country for their benefit. The old estates are being transformed into communal farms. Mr. Maret describes how, as he says, "the old order changeth."



FACES
Mexican Indian at a fiesta.

In every branch of life, one feels this fundamental change which is taking place in Mexico. From prehistoric time, the Indian has been exploited, and he is the "problem child" of Mexico in the present upheaval. The revolution is trying to solve his problems and to raise his station in life. There is the *mestizo*, or "mixed" class, half Spanish and half Indian, which is coming to hold an important position. "In the towns and industrial centers there has grown up a *mestizo* middle class of well-paid workmen, artisans, and office men," the author writes, "who neither exploit nor are exploited. The old hard-and-fast line dividing the very rich from the very poor slowly disappears as this class grows, drawing its strength alike from the Indian and the white elements of the population."

Mr. Maret is careful about making predictions with respect to the future. True reporter that he is, he confines himself largely to describing what he saw, analyzing its significance, and pointing only to future possibilities.



Japanese Leaders Ponder Change In Foreign Policy to Meet Needs

(Continued from page 1)

not all, upon their adventure in China.

The chief objective of Japanese policy now is to protect this enormous investment, and that is proving difficult to do. The war in China has lapsed into what someone has called a "victorious stalemate" for Japan. Japanese troops are strung out over thousands of miles of Chinese railways, highways, telegraph lines, and they hold industrial and commercial centers. They seem unable to move any farther with the forces they now have in China, and they hardly dare send more forces because of the fear of Russia, which necessitates the holding of the best Japanese troops along the Siberian borders. The Chinese, on their part, seem utterly unable to drive the Japanese out. This seems to have been proved by the failure of the great offensive launched by Chinese Generalissimo Chiang Kai-shek in April. But behind the battle lines the Chinese show no signs of collapse.

Aid to China

The Japanese are convinced that Chiang Kai-shek must eventually fall. They feel very strongly that he would have collapsed long ago if it had not been for the aid given him by other powers. Russia has sent planes from Siberia, trucks and guns over the long caravan routes through Mongolia and Sinkiang. The French have shipped supplies up to Chiang over the railroad from French Indo-China. For a time these shipments ceased, but now they are rolling northward again. Great resentment was shown in Japan over a \$25,000,000 credit extended to Chiang last

down, it would be discovered that Japan had completed a decisive and well-executed move in Asia. In between, Britain and France hesitated, uncertain what to do, trying to appease in Europe while casting nervous glances toward Asia. Britain might wish to settle matters with Japan, but she feared an attack by Germany and Italy in the rear. Conversely, a test of strength in Europe might result in Japan's swooping down upon British and French possessions in Asia.

Reasons for Indecision

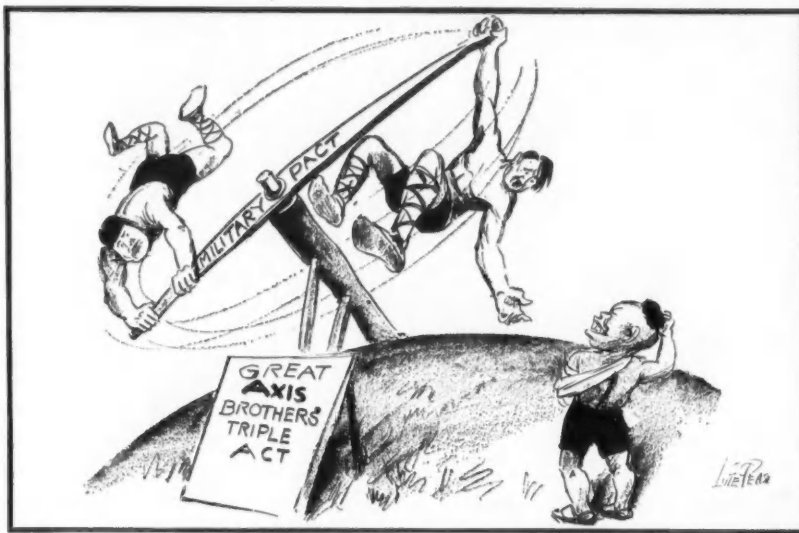
The same tactics have been used against the Soviet Union. Whatever the Soviets might like to do about Japan in the east, there was always the fear of Germany in the west, and vice versa. These policies, the Germans and Italians say, can be continued with ever greater effect. Why not press them with ever greater vigor? Why not a German-Italian-Japanese alliance?

It is at this point that the Japanese have paused. First of all, they are rather definitely opposed to an alliance with Italy. The Italians have asked that Japan send a fleet to the Indian Ocean, and perhaps even to the eastern Mediterranean in the event that Italy becomes involved in war. That request has been promptly rejected. The request for a general alliance with Germany has also been rebuffed. Even an alliance with Germany limited in scope to the Soviet Union has not found much favor in Japan, for it would commit the Japanese to fight Russia at whatever time it might please Hitler to make his own moves. Most observers now believe that the strongest pact that Japan is willing to make is a mutual defense pact with Germany. Such an agreement would be vague enough to permit Japan to decide whether it wished to participate in a German-Russian war or not.

What has brought about this caution on Japan's part? The general feeling is that it is the result of a stiffening of opinion in England, France, the United States, and other neutral countries. To some Japanese, it is beginning to look as though the game is becoming too dangerous. Bluffs have worked in the past, but they may not work in the future. Suppose, for instance, that there should be a European war, and suppose that Germany and Italy should be defeated. Where would that leave Japan?

The Japanese people may be told in the daily press that the power of England and the United States is negligible, but those few men who control Japanese policy know better. They know that although Japan may be supreme in the western Pacific, such supremacy is not enough. The Japanese are an island people, highly industrialized with the heaviest concentration of population for every arable square mile of land in the world. "Japan," as the saying goes, "must export or die."

The power of the democracies lies in their control of great world markets, of money, and of so much of the world's



BROTHER NUMBER 3 SEEMS DOUBTFUL

sea lanes and resources. So while it is true that neither England nor the United States is in any position to sail across the Pacific and attack the Japanese mainland, both countries are in a position to bring powerful pressure to bear simply by closing the doors of the money and credit markets and by refusing to ship certain raw materials to Japan or to Japanese-controlled areas.

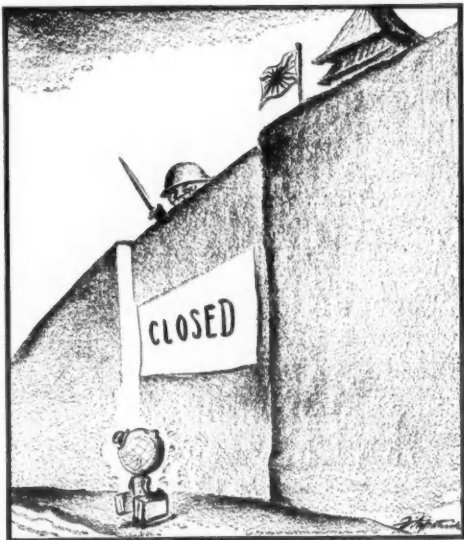
Trade with U. S.

The United States alone, for instance, has furnished 54 per cent of the war materials which Japan has had to import to date in prosecuting the war against China. The United States foreign trade with Japan is nearly seven times greater than that of any other nation. In some years Japan has imported from the United States more steel and scrap steel than from all the rest of the world combined. American-made bombing planes carry Japanese pilots and bombs over China, while Ameri-

can-made trucks move troops and supplies along the roads. When anything goes wrong with these vehicles and other American machinery, parts can be replaced only from American plants. In return, the United States furnishes an enormous market for Japanese goods, even though it has been dropping fast during the last year due to the anti-Japanese boycott on the one hand, and the restriction of consumer goods production in Japan on the other. But even with this drop, the United States still imports 98 per cent of its silk from Japan.

After the United States (and Manchukuo, which is Japanese controlled), Great Britain and the Netherlands figure largest in Japanese trade. Much of this trade—most of it, in fact—is carried on between Japan and British, French, Dutch possessions in southeastern Asia and in the East Indian islands between Australia and the continent. In valuable raw materials these

(Concluded on page 6, column 3)



"CHINA IS MY OYSTER"

FITZPATRICK IN ST. LOUIS POST-DISPATCH

December by the government of the United States through the Export-Import Bank, followed by an almost identical action on the part of the British in March.

The Japanese are convinced that Chiang would collapse immediately if the aid given him by foreign powers were stopped. Therefore they believe their most pressing and immediate problem is how to stop that aid. How is this best to be done? The Germans and Italians insist that Japan can do it by joining them in the military alliance. Would such an alliance frighten the other big powers and deter them from lending any more help to Chiang Kai-shek—or would it merely swell the volume of aid now being given him to far greater proportions? Would it strengthen England and the United States in a stand against Japan? The answer to these questions is the crux of the present situation, and it will determine the course that Japanese foreign policy is to take.

So far the help of Italy and Germany has been very valuable to Japan. By careful planning and parallel action, Britain and France have been bewildered and neutralized again and again. Italy and Germany, after having advised Tokyo of their aims, would create some uproar in Europe, and when the confusion had died

Many Organizations Cooperate To Reduce the Nation's Accident Toll

DURING recent years, the traffic problem has assumed such tremendous proportions in the United States that thousands of schools have adopted programs to deal with it. More than 5,000 high schools have realized that they share a responsibility in reducing the accident toll and have adopted various measures, such as courses in safety and driving, as parts of their regular curriculum. Since all students are either drivers or pedestrians, or both, and are thus directly affected by the problem of safety and accident reduction, no more important student project could be undertaken than this one.

In order to obtain concrete suggestions for safety programs, we suggest that students communicate with organizations which are working to reduce the accident toll. Among the more important of these are the National Safety Council, 20 North Wacker Street, Chicago, Illinois; the American Automobile Association, Mills Building, Washington, D. C.; and various motor clubs, chambers of commerce, insurance companies, and other local organizations which concern themselves with the traffic problem. We are giving here a few suggestions which might be followed for a student project of this kind:

1. Find out the various organizations in your community which are endeavoring to

decrease accidents and promote safety. You should include those dealing not only with traffic accidents but also accidents in the home, in industry, etc. Is there a local safety council?

2. Find out from the local police department how most accidents occur; that is, whether they are caused by violation of the traffic regulations on the part of either pedestrians or drivers.

3. Try to locate the most dangerous spots in your community. Are there certain areas where accidents are more prevalent? Is this due to lack of such devices as control lights, stop signs, or other means of control?

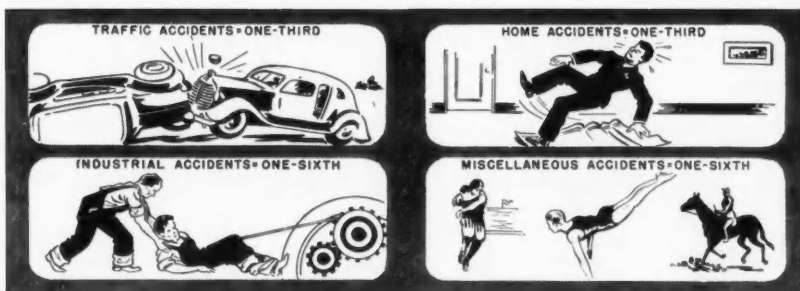
4. How does the accident rate of your community compare with the national average? How does it compare with that of other communities in your state? To what do you attribute the difference?

5. Make a study of the traffic rules and regulations of your city and state. Are these rules the same as those of neighboring communities? Are they uniform throughout the state?

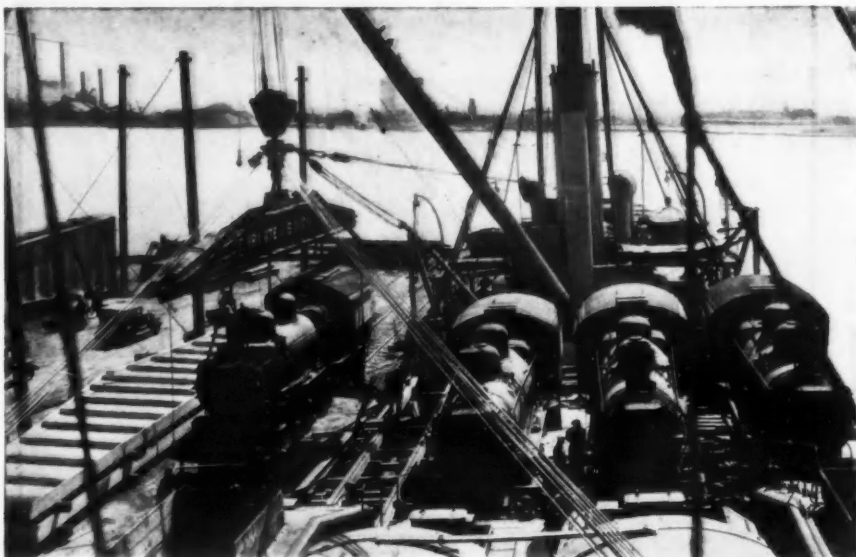
6. Does your school have a program of safety education? Does it consist of student patrol during certain periods of the day, or is it more comprehensive? Find out, through the local safety council or some other organization, what programs have been adopted by other schools, and discuss the advisability of adopting them for your school.

7. Make an analysis of the accidents that have occurred in your community recently and discuss their causes and ways by which they might have been avoided.

8. After having worked out a program of safety, try to get the cooperation of various groups in the community which might cooperate with you. Solicit the support of parents, of the local newspapers, of the local government officials, of the chamber of commerce, of civic clubs, and of other groups.



TWO-THIRDS OF ALL FATAL ACCIDENTS HAPPEN IN THE HOME OR ON STREETS AND HIGHWAYS



SCRAP IRON FOR JAPAN

Japan, which has been the biggest customer of the United States for scrap iron, orders old locomotives from the Baldwin Locomotive Works. The photo shows the locomotives, of the 1903-05 vintage, being loaded on a freighter in Philadelphia preparatory to shipment to Japan.

DOMESTIC

Taxation Tangle

Many businessmen insist that the chief obstacle in the road to national prosperity is the federal government's tax program. They argue that if certain taxes were modified, so that investors could make more money, business would boom, employment would increase, and many of our economic problems would be solved.

No one can say how much truth there is in this view. But for a while this year, it looked as though the Roosevelt administration was prepared to accept it. Secretary of the Treasury Morgenthau and Secretary of Commerce Hopkins made public statements con-



OR SHALL WE CALL THE SHERIFF?
TALBURT IN WASHINGTON NEWS

cerning taxation, and spoke approvingly of lightening the taxes on business firms. Since these men are very close to the President, it was assumed that they were reflecting his views.

The matter "hung fire" in Congress for several months. But when congressional leaders got around to drafting a plan of tax revision, they found that the President was not so enthusiastic about it as they had expected—or hoped—he would be. He does not entirely disapprove of revising certain taxes which businessmen find objectionable, he says, but he insists that the government's total revenue shall not be reduced. If Congress does away with some taxes, he believes, it must enact others to make up the loss in government income.

The President's stand is somewhat of a disappointment to Secretary Morgenthau and his assistant, John W. Hanes, who have worked out a plan of tax revision which they had intended to recommend to Congress. It is not likely that they will do so now, although they may suggest certain mild changes. There is a group in both the Senate and the House, however, which would like to do much more in the way of tax modification than the Presi-

dent agrees with. If they can get enough support from their colleagues, they will probably go ahead despite the President's opposition, so a major battle over taxation seems to be brewing in Washington.

Senatorial Economy

When President Roosevelt planned the government's budget for the next fiscal year (July 1939 to July 1940), he allotted about 835 million dollars to the Department of Agriculture. The House of Representatives shaved this amount by a few million dollars, when it voted on that item of the budget. But when the Senate came to consider it, a short time ago, it increased the amount to 1,218 million dollars, thus adding 383 million dollars to the government's expenses for the coming year.

It is not unusual for Congress to raise or lower the items in the President's budget. During recent months, however, many senators—Republicans and conservative Democrats—have criticized the President for what they call "New Deal extravaganzas." They have called on him to cut down government spending, and to balance the budget. Yet nearly all of those same senators voted to increase the appropriation for agriculture.

They did so, no doubt, because they really believe that the nation's farmers need more help than the President planned to give them. The fact that there is a large number of farmers who will benefit from the increase—and that those farmers are voters—certainly had some influence on the senators.

This is an excellent example of the difficulties which are encountered when the government tries to economize. It is easy for members of Congress to praise economy, but it is very difficult for them to vote against some measure which will put money in the pockets of the voters back home.

The President was irritated at the Senate's action. It means that the government must go into debt by about 383 million dollars more than he had planned during the coming year, unless the House of Representatives reduces the Senate's figure when it considers the appropriation again. The House may do this;



MAKING THE COUNTRY AIR-MINDED

As reported in a previous issue of The American Observer, aviation companies are experimenting with a method of making people air-minded by taking groups of high school students aloft. The flights are made in connection with the National Air Youth Project.

The Week at Hand

What the People of the World

then the two bodies of Congress will have to compromise on an amount somewhere between 835 million and 1,218 million.

Political Pilgrimage

Postmaster General James A. Farley left Washington a few days ago, bound for the west coast and the San Francisco Exposition. The trip is more than a pleasure jaunt, for Mr. Farley was scheduled to make 21 speeches in 12 states during 16 days. But political observers believe that it is not what Mr. Farley says, but what he hears, that is important. They believe that he is making the trip to talk to political leaders in the cities and states through which he is passing, and that those talks will have a great deal to do with determining the Democratic nominee for President in 1940.

They recall that Mr. Farley made a similar trip just eight years ago, and that when he returned it was definitely established that Franklin D. Roosevelt was to be the party's candidate in 1932. Mr. Farley had sounded out local politicians across the country, and he was certain that the man who was then governor of New York could be nominated and elected.

It is thought that there are two questions to which Mr. Farley is trying to find answers on his present journey. Can President Roosevelt be nominated and elected for a third time? If not, can James A. Farley win the nomination and election? Raymond Clapper, columnist for the Scripps-Howard newspapers, wrote recently:

When he (Mr. Farley) finishes the trip, he will know the lay of the land as no other politician in the country knows it. He will know better than any other man what the chances and repercussions of a third term would be. He will know what Jim Farley's chances are.

Mr. Clapper went on to say that while Mr. Farley wants the nomination for himself, he would support the President if the latter decided to run for a third term. The information Mr. Farley gathers on this trip may have much to do with the President's decision.

Reorganization No. 2

President Roosevelt has announced his second step in reorganizing the executive department of the federal government. "Plan No. 2," as the President calls it, is much smaller in scope than "Plan No. 1" (see THE AMERICAN OBSERVER, May 8, 1939). However, it affects a score of agencies, and will result in the saving of about one and one-quarter million dollars a year.

Plan No. 2 transfers to the State Department the activities which have been carried on in foreign countries by the Departments of Commerce and Agriculture; that is, reporting on the industrial and farm situations in those countries. Thus all our government's representatives will be under one agency, rather than three as at present.

The plan also abolishes the National Bituminous Coal Commission, although the

Commission's functions will be carried on by the Interior Department. The Bureau of Fisheries (now a part of Commerce) and the Biological Survey (from Agriculture) go to the Interior Department, thus giving the Interior practically all control over the government's activities in the field of wildlife conservation.

The Rural Electrification Administration becomes a part of the Department of Agriculture; at present, it is an independent agency. The Inland Waterways Corporation shifts to the Department of Commerce from the War Department, and the Interior Department gets the Bureau of Insular Affairs from the War Department—thus giving it control over the nation's island possessions.

These are the most important changes made by Plan No. 2. Congress has already approved the plan, so it will go into effect in about six weeks. There has been some criticism from officials within the various agencies which have been shifted around, but not enough to give the President any con-



LOOKING DOWN ZION CANYON

cern. Other reorganization plans are expected in the fall.

Democracy in Action

The first of a new series of radio programs called "Democracy in Action," was presented over the Columbia Broadcasting System network on Sunday, May 14. The series, which is sponsored by the federal government's Office of Education, is intended to show how our American government operates. Each week it takes up some general field, such as transportation or communication, and dramatizes the government's activities in that field.

The program is to be presented every Sunday at 2 o'clock, eastern daylight-saving time, through August 6. "Democracy in Action" is the successor to the very popular "Americans All—Immigrants All" series which the Office of Education sponsored during the winter and spring. The latter program was recently selected by the Women's National Radio Committee as the "most original and informative program" of the year.

National Playgrounds

Sixty-seven years ago, Congress declared that a section of land in what is now Wyoming (with its edges in Idaho and Montana) should always belong to the federal government, and should be known as Yellowstone National Park. The legislators wanted to preserve that section of the country, with its magnificent scenery and its impressive natural wonders—geysers, canyons, and huge trees—as it was, so that all the people of the nation might enjoy it.

That was the first national park; today

Home and Abroad

Doing, Saying, and Thinking

there are 27 of them, including more than 30,000 square miles, scattered all over the United States. There is the Yosemite in California, the Zion in Utah, the Acadia in Maine, the Shenandoah in Virginia, the Platt in Oklahoma, the Olympic in Washington, the Great Smoky in North Carolina and Tennessee, and a number of others. Every year, these national parks draw more and more visitors. The total last year was well over seven million, and government officials are expecting a new record this summer.

FOREIGN

Russia and Great Britain

Russia and Great Britain, as we go to press, have not yet been able to reach an agreement as to how their common front against Hitler is to be constructed. The British have pro-



NATIONAL PARK SERVICE

N. CAMPION NATIONAL PARK, UTAH

Europe, are wondering whether this means that Moscow officials are considering a return to such a policy.

Reconstruction in Spain

The period of reconstruction that followed the American Civil War was one of the most painful in our history. The same was true of Russia, and the same seems to be true in Spain today. The vanquished are beaten and depressed as their former leaders and their ideals are referred to as criminal. The victors are somewhat split over the spoils of victory, and find the triumph somewhat hollow as the long and costly task of reconstruction is contemplated.

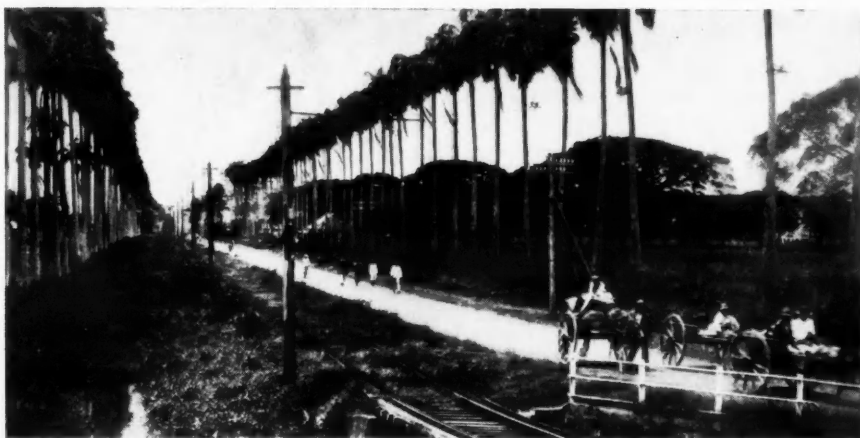
Much of Spain today is a semi-ruin. In the war areas bridges are down, dams are gone, railway tracks are torn up. Cities in the war zone remain little more than ghost towns of shattered buildings and heaps of masonry, broken glass, and twisted car tracks. The first estimates are that the cost of repairing the damage to Oviedo will be \$9,700,000; of Teruel at least \$7,000,000, while other cities will cost from \$4,000,000 to \$10,000,000. First estimates of the entire cost of reconstruction come near \$1,000,000,000, but many observers believe they will run very much higher when all the damage becomes known.

To begin the enormous task of bringing Spain back to normal, the government has requisitioned trucks, cranes, and all manner of repair machinery. Compulsory labor service affecting all able-bodied young men has been decreed, and 600,000 republican (loyalist) prisoners are already at forced labor. While the Spanish people are being put to work to repair the war damage, a Spanish financial mission has been visiting the money markets of Europe—London, Paris, and Amsterdam. This commission is trying to raise a big reconstruction loan, perhaps \$100,000,000. The political implications of this are at once apparent. General Franco cannot obtain such loans in Germany and Italy since there is no free private capital in Rome and Berlin. Thus it has turned to the democracies. If Franco gets the loan, it is widely believed that it will be on condition that he abandon his axis ties and promise that Spain will henceforth remain neutral.

Tropic Refuge

After long deliberations the British government recently decided to substitute British Guiana for Palestine as the haven for oppressed minorities, and particularly for Jews. Although it looks quite small on the map of South America, British Guiana is nearly as large as Great Britain in area, and contains about 270,000 Negroes and Indians, and about 60,000 Portuguese, other Europeans, and aborigines.

Guiana is an Indian name meaning "watered country," and one would not have to live there long to learn why it is thus named. Northeast trade winds blowing in from the sea during most of the year drench the coastal areas with rain. Some of the rain carried inland to the mountains promptly



HAVEN FOR REFUGEES

The British government has offered the interior regions of British Guiana as a haven for refugees. This is a view of Palm Avenue in Georgetown, capital and principal city.



CAPTAIN BARTLETT FROM GENDREAU

There are 17,000 Eskimos in Greenland. The Danish government encourages them to develop their own language and customs.

rushes back through rivers and streams. Most of the population is concentrated in the coastal strip, hot, moist lands of 30 to 100 miles in width, consisting of swampy forest tracts, white, coarse sand, and tropical farm lands. Even Georgetown, the capital, is located on a plain so low that it is below high-water level, and when approached from the sea is seen only in a few spires and two wireless masts above the palm trees. There are only two railroads, one 60 and the other 18 miles long. Like the 270 miles of roads, they are not very well built and are confined only to the coastal areas where the people extract and export enough sugar, rum, molasses, rice, timber, and coconuts to make a living.

Behind the coastal strip there stretches away toward the equator a vast area which the British officials refer to as "the bush." It is this region which is intended as a haven for refugees. No roads and no railways penetrate its depths. Once away from the coastal plain, the land rises suddenly in a jumbled mass of wild mountains and rocky valleys and gorges. Only the rivers and transport planes furnish communication with the outside world, and the rivers are so fast and dangerous as to be almost out of the question. However, the British say that the climate in the uplands is not bad, that a railroad could be built, that there are mineral deposits in the mountains, and that the land can be made profitable if worked hard and efficiently.

Greenland--Flowers, Ice

Greenland is often thought of as a wilderness of ice and mountains, swept by biting gales, and located so far north that only explorers go there. It is true that Greenland is very large (it is three times the size of Texas), and it is true that 86 per cent of its surface is buried under ice and snow—even in summer. But along the coasts near the warm ocean currents there are other regions which are quite different. Due to a freak of winds and ocean currents, one of the largest of the warmer areas lies in the far north. Very soon—within a few weeks—these regions will blossom forth into a riot of flowers

and bright colors which seem very unlike the popular conception of Greenland.

Within the last 10 years, Greenland has been very carefully studied by several governments. The government of Denmark, which rules Greenland, has built many schools for the 17,000 Eskimos living on the island. It has always encouraged them to develop their own language and customs, but it has also tried to supplement their two occupations, hunting and fishing, with the planting of small gardens, and with cattle and sheep grazing. To aid the latter it has moved 10,000 sheep to various places in Greenland. As a result of the caution and wisdom shown by the Danes, Greenland is today considered to be one of the best-governed regions in the world.

Other nations, including the United States, are greatly interested in the immense, flat ice field which spreads over the great central plateau of Greenland. Since air routes between New York and northern European points lie



"H'M—I WONDER ABOUT THAT GUY"
HERBLOCK IN LYNCHBURG (VA.) NEWS

across this region, it is believed that the ice shield would make a good emergency landing field. It is one of the biggest in the world—1,500 miles long and 600 miles wide. Foreign interests are also weighing the possibilities of developing the large mineral deposits in Greenland. One American firm is already operating a mine there.

NOTICE!

A number of students have asked whether they might subscribe for single copies of *The American Observer* during the summer. We shall be glad to have them do this. *The American Observer* is published throughout the summer except for the last two weeks of August and the first week of September. The price for a single subscription is 50 cents, payable in advance.

It is important that students continue their reading during the vacation period—a period which apparently will be of great importance in the history of our country and of the world. The real leader in every community is the one who keeps abreast of the times and does not allow his interest in important problems to lag.



COAL MINE—FROM A DRAWING BY THOMAS BENTON
(From an illustration in "We the People," by Leo Huberman, Harpers)

Historical Backgrounds

By David S. Muzzey and Paul D. Miller

The President and Labor Disputes

WHEN President Roosevelt called representatives of the miners and the mine owners to confer in Washington, he secured a settlement of the strike. Why has he succeeded when others had failed? The reason probably was that the other mediators who had been trying to get the employers and workers together merely sought to persuade. The President, however, had power to act. Back of his strong words, in which he warned the operators and the men to cease interfering with the public welfare and to settle their trouble, was an implied threat that if they did not do so the government would seize the mines and operate them.



DAVID S. MUZZEY

Does the President of the United States have power to do a thing like that in a national emergency? If an industry which is necessary to the welfare of the nation is shut down because of labor troubles, may the President step in and run the industry?

There is dispute on this point. There are constitutional lawyers who feel that the President has no such power. Others think that the power of the chief executive of the nation extends to a matter of this kind. They say that to prevent national disaster the government can operate an industry and produce the things which the public requires.

The First Roosevelt

The Supreme Court has never acted on a case of this kind, and we cannot be sure what its declaration would be. We do know, however, that there is historical precedent for a threat on the part of the President to take over an industry at the time of a strike. President Theodore Roosevelt used this threat to settle a coal strike in 1902. Here are the outstanding facts in that case:

There was a strike during the summer of 1902 in the anthracite fields. By autumn the situation had become serious. There was grave danger that millions of people might be deprived of fuel as the winter came on. President Roosevelt, assisted by Senator Mark Hanna of Ohio, tried to secure a settlement. Jonathan Mitchell, president of the miners' union, was willing to arbitrate, but the coal operators, headed by the stubborn and unyielding George F. Baer, said they "had nothing to arbitrate."

Former President Grover Cleveland assisted in the attempt at a settlement. He suggested that the miners go back to work and produce enough coal to prevent suffering during the winter, but President Mitchell would not accept this suggestion.

President Roosevelt then decided to appoint a commission to study the questions at issue whether the operators wanted the commission appointed or not. He planned to put Grover Cleveland on the commission.

But President Theodore Roosevelt's program went even further than this. He got the governor of Pennsylvania to agree to notify him that he could not keep order in the state of Pennsylvania. The President would then send United States troops into the state to preserve order. The general in charge was to act as a receiver for the coal companies, was to seize them and operate them in the name of the government.

Operators Give In

With this threat hanging over them, the coal operators agreed upon arbitration. An impartial commission was appointed and the men went back to work. The commission eventually decided in favor of certain increases of wages with the understanding that as wages went up prices might also be raised. The commission also recommended the appointment of a permanent method of settling strikes in case of future trouble. It declared that a board of conciliation should be appointed and that if this board could not agree upon a settlement, a Circuit Judge should be appointed as umpire and his decision should be final.

Whether or not the threat of President Theodore Roosevelt that the government should operate the mines was constitutional, it worked. It brought the strike to an end and furnished a precedent for future presidents.

Such was the precedent which President Franklin D. Roosevelt followed. The day after he had called the miners and the operators to conference, Arthur Krock made this comment on his action in the *New York Times*:

"Many citizens have confessed that when they have entered the White House and beheld a President of the United States discharging a function as head of the American people, a feeling of respect for the office and love for the nation has swept away any antagonism toward the holder of that office. In this respect our democracy has always been soundly based; and no political or personal quarrel has ever been able seriously to threaten it."

"When President Roosevelt, therefore, served notice on the bituminous coal operators and miners that their differences would be adjusted to prevent a suspension of essential public service, he spoke in a capacity which has always commanded the general respect and support of the people. Politics and policies go out the White House window when an American President, responsive to his constitutional duty to safeguard the general welfare, speaks in the country's name."

Japanese Leaders Ponder Change In Foreign Policy Meet Needs

(Concluded from page 3)

regions are among the richest in the world. Japan, England, France, and the United States are all dependent upon them. They produce great quantities of rubber, petroleum, tin, chromium, tungsten, manganese, bauxite (for the manufacture of aluminum), and antimony; the many minerals and substances without which the modern industrial society could not function.

Raw Materials Vital

And even if it were not a question of the control of raw materials, Japanese officials would still hesitate to go much further in treading upon the toes of the great nontotalitarian powers. Germany and Italy are competitors of Japanese products in world markets. But these countries, in addition, are without money; and money, or capital, is just what Japan now so urgently needs if she is ever to develop the ruined industries in the occupied areas of China. Then there is another consideration—that of public morale. Upon a number of occasions the Japanese people have made it plain that they have little love for Germany or Italy. While they would be glad of the aid of these powers in the event of a war against Russia, it is doubtful that the Japanese government could whip up even a small degree of enthusiasm for a campaign against Britain, and certainly not against the United States. The American people have long been looked on as the best friends of the Japanese, and an alliance that might bring Japan into conflict with the United States, as well as such other powers as Great Britain and France, might well prove a political boomerang within Japan.

For these reasons, apparently, the small group of five men who are now conducting Japanese policy have balked at an alliance with Germany and Italy. Their present intentions are believed to be directed toward an agreement with Great Britain, if possible, over the manner in which China is to be exploited and brought back to normal. Such an agreement would,

if Japanese hopes are realized, bring Chiang Kai-shek into line, or bring about the collapse of his cause by stopping the aid he is now getting. The Japanese think that the British will be glad to come to terms, and that all the British are interested in is their own property and profits anyway. Such a solution of the "China incident" would also carry the satisfying possibility that big reconstruction loans could be floated abroad.

Power of the Army

But the matter does not end with the decision of the so-called Inner Cabinet. There is another force in Japan which bitterly opposes any efforts to reach an agreement with Great Britain or the United States, and that is the army. Time and again within the last 10 years the army has deliberately ignored the wishes and policy of the Japanese government and gone off on a tangent of its own. It has deliberately engineered "incidents" in order to force the government to follow its lead in acting against Manchuria, Russia, and China.

There have been signs that the army is preparing once again to take matters into its own hands. As *THE AMERICAN OBSERVER* reported last week, within 24 hours of the first reports that the cabinet had decided against an alliance with Germany and Italy, the Japanese high army command in China began a series of provocative acts against British, French, and American citizens, officials, and representatives in China. Bombs were dropped upon the British consulate in Chungking. Blunt demands backed with the threat of force were served upon officials in the British, French, and American concessions in Chinese cities. As we go to press, it seems very possible that the Japanese may forcibly occupy the International Settlement in Shanghai and other foreign concessions, and thus precipitate an international crisis.

The question seems to be—who will triumph, the government or the army?

Locate Yourself!

Types of Students and Analysis of Prospects

Type 26

A HIGH school senior well above the average in grades, general activities, and popularity asks our advice as to her future course. She has taken secretarial work in school and is a good typist and stenographer. She has a chance for a position in an office, and asks whether she should take it or go on to college. She can obtain a scholarship but would have to work to pay part of her expenses.

Since this girl has done good work in high school, and since it seems possible for

college during this period without getting into debt, so that at the end of the four-year period she would be about as well off financially as if she went to work, and she would have such advantages as go with a college education.

These advantages amount to something. For many positions, the college graduate has a preference over others. It is therefore easier for a graduate to get a job of almost any kind. It is important, in our opinion, that this girl should continue her secretarial work and maintain and increase her skill as a typist and stenographer. Then when she finishes college, she will have an even better chance to go into secretarial work than she now has, and other opportunities may be open, also.

We do not advise young people indiscriminately to go to college. Many of them would be better off to get jobs, if jobs may be obtained, than to go to college. If a boy or girl has not done well in his high school work, and if his grades are poor, there is no reason to think that his work will be better in college. And if one does not like college work, and does not do well at it, he is very likely to get into habits of laziness and shiftlessness. College is an institution of higher learning and those who have no interest in learning should not attend. If, however, one is interested in reading and in books, if he is interested in literary or cultural pursuits, and if he has shown that he has energy and will power enough to do something along one or more of these lines, we feel that he is broadening his foundation for success by going to college.



JOHNSON

her to go to college without too great a strain on her part and without imposing too great a burden upon her relatives, we advise that she go on to college. She has little to lose by doing this, for the salary she would obtain in office work during the coming four years would not permit her to do much more than make a living. She could not put by savings of any considerable amount. She can apparently go through

Personalities in the News

AN interesting book just off the press is "Carter Glass, a Biography" (New York: Longmans, Green & Co. \$3), the story of the peppery little man who is Virginia's senior senator. Carter Glass has had a long career in politics, and this book about him throws light on many important events which have taken place in the last 30 years—particularly during the administrations of President Woodrow Wilson. For instance, it reveals that President Wilson wanted to run for a third term in 1920, so that he might be in a better position to lead the fight to have the United States enter the League of Nations.

Carter Glass, who is now 81 years old, served as secretary of the treasury for two years under President Wilson. He resigned that office in 1920 to accept an appointment to the Senate, to fill out an unexpired term. The people of Virginia elected him to a full term in that year, and they have been sending him back to Washington ever since.

The white-haired, brown-eyed Virginian went to work as a "printer's devil" when he was 14 years old. He worked up to be a compositor and a pressman, and finally a reporter. By the time he was 30, he owned the Lynchburg paper, and he still owns and publishes the Lynchburg *Daily News*, a morning paper, and the *Daily Advance*, an afternoon paper.

Carter Glass served several terms in the state legislature, and in 1891 he was elected to the House of Representatives. During his 17 years in that body, he made a name for himself by drafting the Federal Reserve Bank Bill, which is the basis for most of the federal government's banking activities. Because of this banking legislation, Representative Glass was roundly condemned as a "radical" by the bankers and businessmen, although he is now considered to be one of the most stalwart conservatives in Congress.

Senator Glass is famous for his biting, sarcastic speeches—usually delivered from one corner of his mouth. He is bitterly critical of the New Deal, especially its spending program. He declined President Roosevelt's invitation to become secretary of the treasury in 1934 because he differed with the President on "fundamental policies."

FOR the past 10 years, the building of new, small homes has lagged far behind the need for them. As a result, housing is one of the most serious of the problems facing the nation. The Roosevelt administration has moved in several directions to help solve it, but perhaps the most successful of the New Deal's activities along this line has been the Federal Housing Administration. In brief, the FHA guarantees that loans made for home-building and improvement (which must meet certain requirements, of course) will be repaid. In this way, it has made it possible for several million families to build new homes or to repair old ones.

The man at the head of the FHA, Stewart McDonald, has been given a great deal of credit for the efficient, business-

like methods which have made it so popular. Discussing the FHA in the *New York Times* recently, Arthur Krock wrote: "Stewart McDonald is a businessman and a Scotsman. When he spends money, even not his own, he wants it to breed. He sees recovery as possible only through private, not public, spending. He is an excellent administrator and a good trader."

Mr. McDonald is a large, brown-haired man, rather quiet and reserved. He was born in Minnesota, but went into business in St. Louis after graduating from Cornell in 1901. He was connected with a manufacturing firm there, and later served as the city's police commissioner. He came to Washington as assistant administrator of the FHA in 1935, but in the same year he was put in charge of the agency.

Under his direction, the FHA has guaranteed loans amounting to \$2,380,000,000 for the construction and repair of small homes. The only money spent by the government has been \$175,000 to cover the few bad loans (590 out of a total of more than 357,000). The FHA's activities have been growing in recent months; lately, an average of 2,500 new houses a week have been started under its supervision. Businessmen and government officials are greatly pleased at this increase in construction, for it should do much to improve general business conditions in addition to providing more and better homes.

NO discussion of British politics ever gets very far without some reference to that small, tightly knit group of statesmen which acts as the spearhead of the Conservative party and, today, the British government. Sometimes called the "inner cabinet," this group consists of four men. Two of them, Prime Minister Chamberlain and Lord Halifax, his foreign secretary, have been discussed on this page before. The other two are less known, but hardly less important. They are Sir Samuel Hoare,

with French Premier Laval in laying the groundwork for a secret treaty with Mussolini over Ethiopia, and was forced to resign under fire. He soon returned to prominence, however, as first lord of the admiralty, and since 1937 he has served as home secretary.

Like Sir Samuel Hoare, the Right Honorable Sir John Allsebrook Simon was also educated at Oxford. Also of good family and an excellent scholar, Sir John has since become one of the greatest lawyers in England. His first important government job was as junior counsel to the Alaska boundary commission in 1903. Seven years later he had become solicitor general, and three years after that he was sitting in the British cabinet as attorney general. Ever since then his course has run parallel to that of Sir Samuel Hoare. Except for a period of war service in the staff of the Royal Air Force, he has moved in and out of cabinet circles as the power of the conservatives has waxed and waned. As chairman of the Indian statutory commission he drew up a report so imperialistic in tone that he was subjected to severe



STEWART McDONALD

cooperate in a firm stand against Japan. Still later, in Geneva, he increased this resentment by making a speech so much in sympathy with the Japanese expansion program that the Japanese delegate, Matsoka, said that Simon had said in 15 minutes what the Japanese had been trying to say all week. Thus Simon was also forced to resign.

Regarded as pillars of conservatism and the two outstanding British exponents of tradition and property rights, Sir John Simon and Sir Samuel Hoare hold a joint viewpoint more conservative than that of either Chamberlain or Lord Halifax. They worked together to lay the groundwork for British acquiescence in the Czech crisis, and they have remained firm devotees of the appeasement policy ever since. Liberals and Laborites have often called for their resignations, but both men are far too well entrenched to be easily moved. Both are men of integrity, both are well informed, unyielding, and capable of decisive action.

Sir John Simon, 66 years old, is probably the milder of the two. Tall, and bland of countenance, his appearance is that of one who cannot be easily ruffled. Sir Samuel Hoare, on the other hand, is sharp featured, thin lipped, somewhat prim and austere in appearance, and speaks in a high, nasal voice.



SIR SAMUEL HOARE

criticism at home. Later, as foreign secretary, he aroused a great deal of indignation in the United States by his blunt rejection of Secretary Stimson's proposal that the United States and Great Britain should



SIR JOHN SIMON

the home secretary, and Sir John Simon, chancellor of the exchequer.

Lieutenant Colonel the Right Honorable Sir Samuel John Gurney Hoare was born of an old and titled English banking family in 1880, and educated both at Harrow, a fashionable prep school, and at Oxford. Family connections and an excellent record at school soon placed him in a position as private secretary to the colonial secretary. During the war he served as a British intelligence agent in Russia, and by 1921 he had become League of Nations commissioner for Russian refugees.

Although he served for some time in the cabinet during the 1920's, Sir Samuel first became widely known in the world as secretary of state for India. The India bill, written by him, was the longest bill in British history. He flew to India and back twice, answered 15,000 questions on the subject, made 600 speeches, and finally bore the brunt of a debate lasting seven and a half years off and on. When he became foreign secretary in 1935, he aroused great resentment in England by joining

Something to Think About

Are You Sure of Your Facts?

1. What are the principal reasons why Japan has refused to sign a military alliance with Germany and Italy?
2. How is the Japanese cabinet divided on the question of foreign policy?
3. What were the principal issues involved in the recent coal dispute? How was the dispute settled?
4. How were the American Federation of Labor and the Congress of Industrial Organizations involved in the coal dispute?
5. What action did President Theodore Roosevelt take to settle the coal strike that occurred during his administration?
6. What country have the British suggested as a home for refugees?
7. What influence do Sir Samuel Hoare and Sir John Simon exert over the policies of the British government?
8. Who is head of the Federal Housing Administration and how has that agency contributed to the stimulation of house construction?
9. True or False: President Roosevelt has demanded a drastic program of tax reduction.
10. What are the principal features of Reorganization Plan No. 2?
11. What are the two questions which Postmaster Farley will seek to answer on his western trip?
12. Who is editor of the magazine *Foreign Affairs*?

Can You Defend Your Opinions?

1. Which policy do you think would best serve the interests of Japan, conclusion of a military alliance with Germany and Italy, or more friendly rela-

tions with Great Britain and the United States?

2. What do you think will be the effects of the settlement of the coal dispute upon the organized labor movement?

3. Do you approve of the action taken by President Roosevelt in the recent dispute?

4. In your opinion, would drastic tax reductions aid business recovery?

5. How do you account for the fact that members of Congress frequently advocate government economy and then turn around and vote for larger expenditures?

REFERENCES ON COAL: (a) Old King Coal Mends His Throne, by C. M. Hackett. *Nation's Business*, December 1938, p. 56. (b) Little Light on Coal, by J. T. Flynn. *The New Republic*, February 16, 1938, p. 44. (c) Labor in America, by H. Harris. *Current History*, November 1937, pp. 75-83; December 1937, pp. 66-74. (d) Anthracite Coal Country, by E. B. Rogers. *Survey Graphic*, March 1938, pp. 160-162. (e) High Wages, But No Jobs, by P. C. Madeira. *Nation's Business*, April 1938, pp. 25-26.

REFERENCES ON JAPAN: (a) Japan Poised to Spring, by W. H. Chamberlin. *Current History*, May 1939, pp. 35-38. (b) The "New Order" in the Far East, by G. N. Steiger. *Events*, May 1939, pp. 388-392. (c) Why the Dutch Fear Japan, by J. Gunther. *The Nation*, September 24, 1938, pp. 291-293. (d) Hands Off Japan! by W. H. Chamberlin. *American Mercury*, March 1939, pp. 304-313. (e) Americas and the New Pacific, by E. Janeway. *Asia*, February 1939, pp. 108-113.

PRONUNCIATIONS: Chiang Kai-shek (jee-ong' ki' shek'-i as in ice), Singkiang (sin'-kyahng'), Chungking (choon'king'), Danzig (dahn'tseek), Ovideo (oe-vee-day'oe), Teruel (teh-roo-el').



CARTER GLASS



COAL TOWN

FSA BY SHAHN

Problems of the Coal Industry

(Concluded from page 1)

insisted in the renewing of the expired contract were essential to safeguard its position in the industry. By demanding the "union" shop, it would eliminate the competition of rival unions which might woo many of the miners and undermine its position of supremacy. The penalty clause would likewise have weakened its position, for the United Mine Workers would have been obliged to pay a heavy fine for strikes which were engineered by rival unions. From the standpoint of the UMWA, therefore, its complete domination of the coal industry was threatened by the failure of the operators to accept these two provisions.

Affects Organized Labor

These two conditions were particularly important in view of the confused situation which exists in the entire labor movement. The dispute in the coal industry was closely tied up with the feud between the American Federation of Labor and the Congress of Industrial Organizations. The United Mine Workers is the most powerful union in the CIO, and anything which weakened its position would be a blow from which the CIO would not easily recover. If it sustained a defeat in the coal industry, it would suffer in a dozen other industries where it is waging a stiff battle with unions affiliated with the AFL.

A defeat in the recent dispute, therefore, might have had serious effects upon the future of the Lewis union. It has taken the United Mine Workers decades to arrive at its present position of strength. Until it was organized in 1890, no other union had been able successfully to overcome the mine owners' opposition to the unionization of workers. At first, it enlisted only a small fraction of the total workers in the industry. From the first, it waged an aggressive campaign; it called strikes, and finally succeeded in securing contracts from a number of the coal producers. By 1905, its membership had increased tenfold, and at the time of the World War, it had brought a large majority of the miners into its fold.

Although it had its ups and downs, the United Mine Workers remained a powerful labor organization. Before the split in the American Federation of Labor, it was one of the strongest units in that organization. When the split came in 1935, it was the nucleus around which the CIO was formed. Three years before that time, however, a small group of miners, dissatisfied with the UMWA policies, broke away from the parent organization and formed the Progressive Mine Workers Union. After the CIO was organized, the AFL issued a charter to the Progressive union and used it as a basis upon which to attack the CIO in one of its strongholds.

It is largely as a result of the potential danger of the Progressive Mine Workers that Lewis and his aides have insisted upon

the "union" shop in the recent negotiations with the coal operators. They charge that the AFL has used this union to weaken their position in the coal-mining industry. It is a fact that organizers have been sent into the coal fields to draw members to the union. Although no serious inroads have yet been made, the UMWA felt that unless their position were strongly entrenched, the AFL, supported by certain operators, might use the rival union not only to weaken the UMWA but also to cripple the CIO at its strongest point.

Victory for Lewis

The settlement which was reached a few days ago is a sweeping victory for the United Mine Workers. Not all the operators signed a new two-year contract with the Lewis group. But 80 per cent of them did, and they agreed to the "union" shop which the UMWA had insisted upon as a basis of any settlement. These operators, consisting of 15 associations in the North and South, agreed to hire only men who were members of the UMWA or who would become members after they were hired. More than a quarter of a million workers are covered by this agreement.

The remaining 20 per cent of the operators, represented by six associations, all of them in the southern states, refused to sign a contract with the union. They employ between 50,000 and 70,000 miners. Their refusal to come to an agreement was due entirely to their strong opposition to the "union" shop principle. The operators who refused to sign an agreement are located in those regions of the South

which have always opposed the unionization of their mines. They have insisted upon having a free hand in determining the wages and working conditions of the miners in their employment. Negotiations are continuing between the UMWA and those operators who did not sign up in the hope of reaching an early settlement.

From the terms of the agreement reached, it may be seen that the position of the United Mine Workers in the coal industry has not been impaired. For the two years in which the new contract will be in force, the operators agree to recognize the UMWA as the exclusive representative of the workers. It will be the exclusive bargaining agency for all the workers in discussing such matters as wages and hours and other working conditions. The danger of the rival union's undermining the position of the UMWA has thus been greatly reduced for the duration of the contract.

Friction Created

The coal settlement, while it removes the danger of a national coal shortage and the crisis which might ensue, does not remove the friction between the two rival labor organizations. Leaders of the American Federation of Labor are highly displeased with the terms of the settlement. They argue that it creates a monopoly for the CIO union in the coal industry by compelling all workers to join it. They feel that it has greatly strengthened the hand of the CIO in industries such as the automobile, steel, and several others, where CIO and AFL unions are struggling for supremacy. They fear that Lewis and other officials of the CIO will now demand a "union" shop in those industries as they have done in the coal industry.

Disputes similar in character to the one which so recently rocked the coal industry may spring up in the textile industry, the automobile industry, and among steel and maritime workers. In these, and several other industries, rival unions are locking horns in their mad scramble for members and for a position of domination. The settlement of the coal dispute is not likely to contribute to more harmonious relations in those industries which are torn by conflicts between the rival unions.

One of the immediate results of the settlement was an intensification by the AFL of the campaign to amend the National Labor Relations Act. Both Senate and House committees have been holding hearings on amendments to the much-criticized labor act, and representatives of the AFL have trained their guns on those features of the law which, they contend, place CIO unions in an advantageous position where disputes arise between the rival labor organizations.

The charges made by the AFL are stoutly

denied by the CIO leaders. They contend that it is ridiculous to charge that they have been granted a monopoly in the coal industry when, as a matter of fact, from 90 to 95 per cent of the workers in the bituminous mines have been members of their union. They argue that the AFL's purpose in organizing the coal miners was primarily to weaken the position of the CIO union. During the lengthy negotiations which preceded the settlement, the charge was made that the Progressive union was being actively supported by certain powerful financial and industrial interests for the purpose of undermining the entire CIO.

CIO Position

Mr. Lewis and other CIO leaders argue further that a large majority of the coal operators have regarded the United Mine Workers as a stabilizing influence in the industry as a whole. They point out that by stabilizing wages over a large part of the industry, there is less likelihood of destructive price-cutting and other forms of cutthroat competition. The effect of stabilized wages upon the coal industry is particularly important, since wages constitute a large proportion of the total cost of producing coal. A strong and active union, therefore, contributes to the general stability of the industry, the CIO argues, and this stability would be lost if there were constant labor disputes within the industry between the rival unions, each seeking to undermine the other and dominate the industry.

It can be seen, from the terms of the settlement reached, that although the United Mine Workers and the CIO have won a complete and sweeping victory in the struggle with the operators, the prospects for future peace in the labor move-

FSA PHOTO BY SHAHN
COAL MINER

Smiles

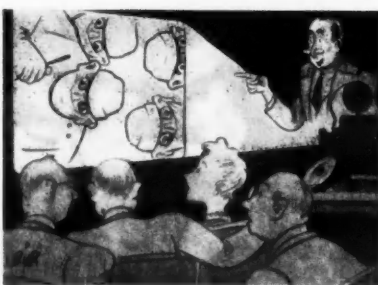
"The natives of North Zululand have come to the conclusion that the white man is, after all, a fool. Recently a telephone squad was in that district, and the native's verdict was: 'White man a fool. He puts up wire fence; the cows can walk under it.'"

—Kentish MERCURY

"What testimony have you as to mathematical ability?" asked the employer.

"I have here my son's homework for last term, sir," said the candidate for a vacant clerkship, "in which you will see that 75% of my sums were correct."

—London EVENING NEWS



"I WAS FLAT ON MY BACK WHEN I TOOK THAT!"
LARIAR IN COLLIER'S

"I love the bracing temperatures right here at home. Only foolish persons run to resorts for a change of climate."

"Yeh; I'm a little low in cash, too!"
—CLIPPED

A student was receiving help on his course in school. The professor asked him if he were interested in history.

"Oh no, not a bit. I always say, 'Let bygones be bygones.'"

—Edinburgh DISPATCH

"Are you quite certain that this milk is fresh?"

"Fresh, madam? Why, the cow hasn't got back to the field yet."

—LABOR

Tourist: "I wonder why these hogs are forever trying to break into our cabin?"

Camp Manager's Son: "Oh, that's 'cause they sleep in it in winter when they ain't no tourists."

—CAPPER'S WEEKLY

Angler (describing a catch): "The trout was this long. I tell you I never saw such a fish!"

Listener: "No, I don't suppose you ever did."

—CLIPPED

Freshman: "I'm a little stiff from bowling."

Track Coach: "I don't care where you're from. Get out and see how fast you can run."

—WALL STREET JOURNAL

ment are not so bright. The friction between the AFL and the CIO has certainly been greatly intensified as a result of the bitter defeat dealt the Progressive Mine Workers union. Both organizations are likely to become more aggressive in their attempts to strengthen their positions in the industries where they are competing. Whatever prospects for peace there might have been in the past seem now definitely to have vanished, and a period of even bitter hostility and wider breach between the rival groups may be expected. On such matters as amendment of the National Labor Relations Act, it will be more difficult for the CIO and the AFL to reach a compromise agreement.

Nor is the recent settlement without certain political results. American Federation of Labor officials feel that Mr. Lewis and his aides would never have won the victory they did had it not been for the strong support they received from the Roosevelt administration. It will be more difficult for the President to win the support of the AFL in the future because of this hostility. Organized labor may be expected to be more divided on political issues than it has been in the past, thus making it more difficult to form a united front on many national questions. At best, the labor movement may expect a period of conflict and uncertainty.